

The Small Business Fuel Cost Relief Act



Fuel Cost Relief for Small Businesses

Small businesses in Maine have tight margins and if they are to survive, cannot absorb huge unplanned costs. Fuel and heating oil prices increased drastically this winter; these soaring energy costs have hit small businesses hard and threaten their profitability. In some cases the average prices were 30 to 60 percent higher than prices just last year.

The Small Business Fuel Cost Relief Act would provide a tax credit for small businesses, family farmers, and fishermen who use gasoline, diesel, natural gas, and heating oil. The bill would allow eligible businesses to claim a credit for any amount they spend over the price of fuel on Labor Day 2004, plus the rate of inflation. The bill also increases the IRS Standard Mileage Rate to 60 cents for those business owners who use their vehicles for business purposes.

This legislation was introduced earlier as stand alone legislation and is also included in the Small Business Investment and Promotion Act.
